

NOVEMBER 2004 HIGHLIGHTS

Cold weather usually means a decline in construction. This November, however, the amount of work authorized by building permits was \$1.034 billion. For the ninth consecutive month, construction activity topped \$1 billion. A strong demand for housing was behind the record-breaking pace. Over 65 cents of every dollar of construction authorized by building permits in November was to either build a new house, or make repairs to or expand existing dwellings. Residential construction totaled \$674 million. The number of housing units authorized by building permits was 3,382. This was the sixth straight month that housing units broke the 3,000 mark. Nonresidential construction amounted to only \$359.8 million, 34.8 percent of all authorized work in November. The number of municipalities reporting was 543.

Top municipalities for the month were South Brunswick Township in Middlesex County (\$39.2 million), the City of Newark in Essex County (\$26.7 million), Jersey City in Hudson County (\$25.4 million), the City of Hoboken in Hudson County (\$23.7 million), and Monroe Township in Middlesex County (\$20.6 million). In South Brunswick, a 752,000-square-foot warehouse accounted for \$15.8 million of work. The Middlesex County township also had two additions to an elementary school in November, which had a combined cost of \$13.3 million. Most of the work in Newark was for housing. The estimated cost of all housing construction in the City was \$24.5 million. Newark had 223 housing units authorized by building permits, second only to Jersey City. Jersey City had 233 new housing units in November. The largest development was a seven-story building with 133 market-rate condominiums. The estimated cost of the development was \$12 million. Of the \$23.7 million reported in Hoboken, \$21.4 million was for residential construction. This City had 184 authorized units in November. Housing also accounted for most of the work in Monroe. Of the \$20.6 million of construction reported, \$12.7 million was for new houses or repairs and additions to existing ones. The Township issued building permits for 82 new houses in November, ranking fifth among all localities. Since January, the construction office has issued building permits for 631 new dwellings, ranking eighth among all municipalities.

Year to Date

With 11 months of building permit information from local construction offices, the following trends are apparent for 2004:

Major Construction Indicators, New Jersey: November Year-to-Date Figures Compared to Annual Totals				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
1997	\$8,346,533,144	30,017	10,409,171	5,688,955
1998	\$9,396,755,517	35,676	12,703,824	7,921,892
1999	\$10,584,167,530	37,536	13,237,891	6,229,471
2000	\$11,387,683,514	38,065	15,531,039	6,063,412
2001	\$12,007,456,630	35,680	19,134,533	7,244,833
2002	\$12,079,942,099	34,589	9,261,054	7,560,913
2003	\$12,148,747,807	35,171	9,744,146	6,038,428
January – November 2004	\$12,576,146,655	35,937	10,804,274	4,800,014
<i>Difference Between 2003 and January – November 2004</i>				
2003 – 2004 (ytd)	427,398,848	766	1,060,128	-1,238,414
Percent Change	3.5%	2.2%	10.9%	-20.5%
Source: N.J. Department of Community Affairs, 1/10/05				

- This will be a record-setting year for New Jersey's construction industry. The estimated cost of construction through November is \$12.576 billion, \$427 million more than all of 2003, a 3.5 percent increase.
- For several years, New Jersey cities have led the construction boom and continue to do so in 2004. Jersey City had the most work through November with \$226.7 million. Atlantic City in Atlantic County ranks second with \$217.8 million. Newark, New Brunswick, and Hoboken rank fifth, sixth, and seventh with \$165.8 million, \$163.6 million, and \$145.8 million, respectively.
- Housing remains the driving force behind the industry's strong performance. New Jersey localities authorized 35,937 new dwellings between January and November 2004. This is 766 units more than all of last year. Housing accounted for about 58 percent of all activity statewide, while offices, stores, and other nonresidential buildings accounted for 42 percent.
- Cities are building new houses. This trend began in the late 1990s. Year-to-date figures for 2004 show four cities ranked in the top six municipalities with the most new houses thus far. Jersey City has the most with 2,079 authorized units. Newark ranks second with 1,417

authorized housing units. Hoboken and the City of Elizabeth in Union County rank fifth and sixth with 880 and 705 authorized dwellings, respectively.

- Among many of the municipalities with the most construction in 2004, housing accounted for well over half of the activity authorized. In Jersey City and Newark, residential construction accounted for 64 and 61 percent of all activity, respectively. In the Town of West New York and in Hoboken, both in Hudson County, housing made up 91 percent and 89 percent, respectively, of all authorized work.
- Office space is up by over 1 million square feet, for an increase of 10.9 percent.
- New retail space is 1.2 million square feet below last year's total, for a decline of 20.5 percent.